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Hearing Date: August 13, 2015 at 3:30 p.m. (EST)

Counsel to Peri Edelstein, Edward Landreth, and Gregory S. Root

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re :
: Chapter 11
HYPNOTIC TAXI LLC, et al., :
: Case No. 15-43300 (CEC)
Debtors. :
: (Jointly Administered)
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OBJECTION OF PERI EDELSTEIN, EDWARD LANDRETH, AND GREGORY S. ROOT TO CITIBANK, N.A.'S APPLICATION IN SUPPORT OF ORDER DIRECTING TURNOVER AND AUTHORIZING BANKRUPTCY RULE 2004 EXAMINATIONS

Peri Edelstein, Edward Landreth, and Gregory S. Root (“Objectors”), by and through their undersigned counsel, Golenbock Eiseman Assor Bell & Peskoe LLP, hereby file this objection (the “Objection”) to the Application of Citibank, N.A. (“Citibank”) for an Order Directing Turnover and Authorizing Bankruptcy Rule 2004 Examinations [Dkt. No. 25] (the “Application”), and respectfully states as follows:

1. Objectors are general unsecured creditors who have completed, or intend to complete, their questionnaire to indicate their willingness to serve on the yet-unformed Official Committee of Unsecured Creditors (the “Committee”) in this case.
2. The Application seeks three forms of relief: (i) to require the four non-debtor Management Companies to turn over to the above-captioned debtors (the “Debtors”) certain cash receipts generated from the Debtors’ taxi operations, (ii) a declaration that all such cash

receipts constitute Citibank's cash collateral, and (iii) to take discovery of the Debtors pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**").

3. A crucial role of the Committee will be to investigate the validity and extent, if any at all, of Citibank's asserted security interest in assets of the Debtors. Obtaining a declaration that the cash receipts constitute Citibank's cash collateral prior to formation of the Committee would undermine the Committee's lien investigation rights, and the Objectors accordingly object to any determination regarding Citibank's purported liens prior to the formation of a Committee and a proper investigation by it.

4. The Committee will also investigate the Debtors' financial affairs. In this respect, discovery pursuant to Bankruptcy Rule 2004, including depositions of the Debtors' primary officer, Evgeny Freidman, and proposed Chief Restructuring Officer, Joshua Rizak, should wait for formation of the Committee. It would avoid duplication of valuable resources, and ensure that all parties in interest have the same opportunity to investigate these important financial questions, by delaying this discovery until the Committee is formed and its professionals can participate in the depositions and other discovery. This will also prevent duplicative depositions of the Debtors' officers.

WHEREFORE, Objectors respectfully requests that this Court (i) sustain the Objection, and (ii) grant such other relief as is just.

Dated: New York, New York
August 12, 2015

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